Supreme Court, U. S.
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IN THE

Supreme Court of the United States

October Term, 1979
No. .....
~~79-1368~~

CARLOS A. MOLLURA,

Petitioner,

vs.

CURTIS G. MILLER, CRAIG S. MILLER, and AMERICAN NATIONAL WATERMATTRESS CORP., a California corporation,

Respondents.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit.

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Petition.

The Petitioner, Carlos A. Mollura, respectfully prays that a Writ of Certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Ninth Circuit entered in this proceeding on December 6, 1979.

Opinion Below.

The opinion of the Court of Appeals is reported at 609 F.2d 381 and is reproduced in the Appendix hereto. Findings of Fact and Conclusions of Law were made by the District Court without any separate opinion and are reproduced in the Appendix hereto.

Jurisdiction.

The judgment of the Court of Appeals for the Ninth Circuit was entered on December 6, 1979. This Petition for certiorari was filed within 90 days of that date. This Court's jurisdiction is invoked under 28 U.S.C. §1254(1).

Questions Presented.

1. Did the Supreme Court mean what it said in *Anderson's-Black Rock, Inc. v. Pavement Salvage Co., Inc.*, 396 U.S. 57 (1969) [referring to the tripartite test of *Graham v. John Deere Co.*,[1] 383 U.S. 1] that:

> "We admonished that 'strict observance' of those requirements is necessary."

2. Is the Court of Appeals for the Ninth Circuit allowed to free the District Courts from observing those strict tripartite tests and affirm a holding of obviousness and invalidity merely because it "think[s]"[2] that the District Court gave consideration despite the absence of detailed findings?

3. Whether the presumption of patent validity as set forth in 35 U.S.C. §282 has any vitality whatsoever.

4. Whether the Judiciary can, constitutionally, invade the province of Congress, substitute its untutored

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[1]"Under §103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved."

[2]"Despite the absence of more detailed findings, we *think* that appropriate consideration was given to the relevant facts as defined by *Graham*." Opinion, 609 F.2d 381, at page 383.

opinion for that of the Patent and Trademark Office, and declare a patent invalid where:

(a) trial was concluded at the close of *Plaintiff's* case in chief, Defendant never having presented any evidence or testimony;

(b) the Trial Court of its *own motion* (none originated from Defendant) declared the patent in suit invalid for obviousness;

(c) no prior art of any kind was cited or referred to directly or indirectly in the Trial Court's Findings of Fact and Conclusions of Law.

5. Whether the Ninth Circuit Appellate Court can legitimately ignore the mandate of the Supreme Court as set forth in *Graham v. John Deere Co.*, 383 U.S. 1 (1966) and, without remanding invalidate and affirm where:

(a) the District Court, without any specific findings of prior art, without specific findings of level of skill in the art, and without specific findings of differences, found (Finding of Fact 14):

> "That design and structure of plaintiff's product is, and would have been, at all times, obvious to one skilled in the art and has no novelty now or at the time of its alleged invention";

(b) the Appellate Court, after citing said Finding of Fact 14, simply validated it, stating:

> "Despite the absence of more detailed findings, we think that appropriate consideration was given to the relevant facts as determined by *Graham*."

6. Whether orderly administration of justice, fair play and/or due process require explicit compliance with the mandate of the Supreme Court in *Graham v. John Deere Co.*, and not mere lip service.

Constitutional and Statutory Provisions Involved.

1. "The Congress shall have the power . . . to promote the progress of . . . useful arts, by securing for limited times to . . . inventors the exclusive right to their discoveries." United States Constitution, Article I, Section 8.

2. "The Commissioner [of Patents and Trademarks], under the direction of the Secretary of Commerce, shall superintend or perform all duties required by law respecting the granting and issuing of patents. . . ." 35 U.S.C. §6.

3. "A patent shall be presumed valid." 35 U.S.C. §282.

4. "A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made." 35 U.S.C. §103.

5. The powers of government under the Constitution are separated. United States Constitution, Articles I, II and III.

6. "No person shall . . . be deprived of life, liberty or property, without due process of law. . . ." United States Constitution, Amendment V.

Statement of the Case.

Petitioner, Carlos A. Mollura, obtained United States Patent No. 3,825,172 [Ex. 40] for a waterbed mattress bag. His company, Mollura Industries, of City of Industry, California, specializes in heat sealing sheet plastic material and in manufacturing and merchandising waterbed mattress bags. A patent infringement suit was instituted against the competition, federal jurisdiction being based upon the Patent Laws of the United States and 28 U.S.C. §1338(a).

At the conclusion of Plaintiff Mollura's case in chief, Defendants Miller, *et al.*, moved for judgment [RT 132] on the basis that the evidence presented was insufficient to establish *infringement*.

Trial Judge Manuel L. Real ruled [RT 141]: "The motion will be granted but on the grounds of *obviousness*." (emphasis added). Defendants introduced no prior art nor any other evidence; called no witnesses to testify regarding obviousness, invalidity or anything else.

Findings of Fact and Conclusions of Law (see Appendix hereto) were signed as presented by Defendants. Appeal to the Court of Appeals for the Ninth Circuit followed, resulting in the judgment entered on December 6, 1979.

REASONS FOR GRANTING WRIT OF CERTIORARI.

On January 7, 1980, President Carter issued memoranda to the Secretary of Agriculture and the Secretary of Commerce on the subject of export control of (a) American wheat and (b) American technology, to the Soviet Union. Indeed, American technology is a national treasure currently regarded more highly than the often exported gold of Fort Knox. This petition is not concerned with the climate that proliferates the American wheat crop, but is vitally concerned with the "climate" that proliferates American technology—namely, the Patent System as administered by the Secretary of Commerce and the Commissioner of Patents and Trademarks.

In 1966, fourteen years after the 1952 Patent Act, Mr. Justice Clark in *Graham v. John Deere Co.* came to grips with the question of patentability and unobviousness. The Court reviewed Constitutional history, the evolution of case law, §103 of the then relatively recently enacted 1952 Patent Act, and the Senate and House Reports leading to the enactment. No change of law resulted from Mr. Justice Clark's opinion. Instead, there was formulated a primary tripartite test of obviousness in the words of §103:

> "Under §103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this [factual] background, the obviousness or nonobviousness of the subject matter is determined."

Fourteen years have passed since *Graham*. The District and Appellate courts need to be reminded in

no uncertain terms of their serious obligations to follow the mandate and *explicitly* make the tripartite factual determinations of *Graham*. As stated by Mr. Justice Clark:

> "We believe that strict observance of the requirements laid down here will result in that uniformity and definiteness which Congress called for in the 1952 Act."

At the same time, the Constitutional bases of *Graham* deserve further exposition of this Court. Thus, it bears statement that the failure explicitly to make the tripartite *Graham* findings results in an unconstitutional encroachment upon Congressional domain. *Kahn v. Shevin,* 416 U.S. 351; *Evans v. Abney,* 396 U.S. 435; *Mobil v. Higgenbottom,* 436 U.S. 618. Especially is this so when no prior art of any kind was cited or considered.

Contentions Based Upon the Record to Be Presented.

The District Court's Findings of Fact and Conclusions of Law contain no reference of any kind to any prior art. See Appendix. The trial closed by a motion to dismiss at the conclusion of Plaintiff's case in chief. All the Appellate Court could refer to in the Findings of Fact was:

> "14. That design and structure of plaintiff's product is, and would have been, at all times, obvious to one skilled in the art and has no novelty now or at the time of its alleged invention."

The Court of Appeals stated:

> "Despite the absence of more detailed findings, we think that appropriate consideration was given to the relevant facts as defined by *Graham*."

This is hocus-pocus and analogous to Nathan Detroit's crap game held in a sewer off Broadway (*Guys and Dolls*, by Jo Swerling, Abe Burrows and Frank Loesser, Copyright 1951). In Act Two, Scene 3:

> "BIG JULE. I'm rolling a thousand. And to change my luck I will use my own dice.
>
> NATHAN. Your own dice!
>
> BIG JULE. I had them made for me especially in Chicago.
>
> * * *
>
> NATHAN. Not that I wish to seem petty, but could I look at these dice? . . . But these—these dice ain't got no spots on 'em. They're blank.
>
> BIG JULE. I had the spots taken off for luck. But I remember where the spots formerly were."

So Big Jule called the dice. And the Court of Appeals said that the District Court's findings were just fine.

The Court of Appeals found in the record [RT 136] a comment by the trial judge:

> "But that you take a tube and you put two pieces on the end to contain water is no invention. And the fact that you do it by lap welds is no invention."

The Court of Appeals said:

> "We agree with this conclusion. There is no inventive genius in putting water into a container that does not leak."

To begin with, inventive genius is not the test of patentability, as reiterated by *Graham*. Secondly, how is the Court of Appeals competent to determine what

is or isn't obvious until and unless it finds out what the scope and content of the prior art was at the time of the invention? How is the Court of Appeals competent to determine what is or isn't obvious until and unless it finds out what the difference is between the claimed structure and the prior art? How is the Court of Appeals competent to determine what is or isn't obvious until and unless it finds out what the level of skill was in the art? The Court of Appeals' characterization of the invention doesn't even come close to being correct. The invention has nothing to do with the fact that water is put into a bag which does not leak. If the claimed subject matter is so obvious as characterized by the Court of Appeals and the District Court, it should be no real burden for proper findings to be explicitly made.

Invalidating a patent on the basis of the intuitive feeling of a trial court and without reliance upon any prior art at all is nothing more than an impudent judicial slap in the face of the Commissioner of Patents and Trademarks. A patent is presumed valid. 35 U.S.C. §282. It may be, as the Court of Appeals stated, that the presumption isn't conclusive. But that observation hardly warrants casting it aside without contravening evidence. To do so is nothing more than a judicial power grab of the type condemned in *S.E.C. v. Chenery Corp.*, 318 U.S. 80.

While the Supreme Court didn't so state in *Graham*, it seems that failure explicitly to make the three factual determinations results in a denial of property rights contrary to Amendment V of the Constitution of the United States.

Conclusion.

It is believed that precious time of the Supreme Court can well be spent by granting certiorari for the purpose of bolstering the patent system and, thereby, perpetuating a favorable climate for the growth of American technology. The principles of *Graham* must be reiterated. The trial and appellate courts should be reminded that *Graham* findings must be *explicitly* made, not hidden from view as the spots on Big Jule's dice. The trial and appellate courts should be required to respect the Congressional intent that a patent be presumed valid as set forth in 35 U.S.C. §282.

Respectfully submitted,

FLAM & FLAM,
FRED FLAM,
Attorneys for Petitioner.

APPENDIX.

Opinion.

United States Court of Appeals, Ninth Circuit.

Carlos A. Mollura, Plaintiff-Appellant, v. Curtis G. Miller, Craig S. Miller and National Watermattress Corp., a California Corporation, Defendants-Appellees. No. 78-1118.

Dec. 6, 1979.

Appeal from the United States District Court for the Central District of California.

Before WALLACE and ANDERSON, Circuit Judges, and PALMIERI,* District Judge.

PALMIERI, District Judge:

Appellant Mollura brought suit for infringement of his patented plastic bag[1] that he has marketed as a waterbed. At the conclusion of Mollura's case, the district court considered the evidence, including expert testimony, and dismissed the action, concluding that the patent was invalid for obviousness. We agree with this conclusion and affirm the district court.

Appellant's product is formed from three pieces of sheet material, one large and two small rectangular pieces. The large piece is rolled into a tube and at the point where the two ends of the large sheet come together, they are overlapped and heat welded to form a lap seam.[2] The tube is then capped by the two

---

*The Honorable Edmund L. Palmieri, Senior United States District Judge for the Southern District of New York, sitting by designation.

[1]A patent (# 3,753,819) was obtained in 1971 on a method of making a "TUBULAR FLEXIBLE CAP WITH LAP WELDED ENDS." A patent (# 3,825,172) for the product itself was obtained in 1974. It is the latter that has allegedly been infringed.

[2]A lap weld results from adhering overlapped edges of two side-by-side layers of material. It is smoother and stronger than a weld that results from adhering the edges of two juxtaposed layers of material.

end pieces and the corners are shaped to make the tube more rectangular. The ends of the tube are bent inwardly and are heat welded to the end pieces.

Appellees' product is formed from two large rectangular sheets of plastic of identical size and one long narrow strip of plastic. The strip is formed into a rectangle slightly smaller than the two large sheets and the ends are lap welded together. This forms a side panel that extends around the periphery of the mattress. The two large sheets are then attached to this rectangular strip—one on top and one on bottom. The edges are bent into the plane of the strip where they are lap welded to the strip around the perimeter of the bed.

The district court concluded that the patent was invalid for obviousness after finding:

> 14. That design and structure of plaintiff's product is, and would have been, at all times, obvious to one skilled in the art and has no novelty now or at the time of its alleged invention.

The court also found that none of appellees' products forms a tube, nor do their products perform the same or equivalent functions as the components of appellant's product, concluding that no infringement, either of the product or the method of manufacture, had been proven.

The issues before us on appeal are whether the district court's findings support the conclusion of invalidity and whether the proper legal standards were applied.[3] The legal question of obviousness must be

[3]Appellant raises three other issues on appeal that need not detain this court. Despite appellant's contrary suggestion, the validity of the patent was properly raised. See appellant's complaint, the Pretrial Conference Order, and the evidence offered by appellant at trial.

The doctrine of the "presumption of validity of patents" is not conclusive. The court may find that the "invention"

determined by inquiry into three relevant facts: "the scope and content of the prior art," the "differences between the prior art and the claims at issue" and "the level of ordinary skill in the pertinent art." *Graham v. John Deere Co.*, 383 U.S. 1, 17, 86 S.Ct. 684, 694, 15 L.Ed.2d 545 (1966).

The simplicity of the case enables us to affirm the judgment that the patent was invalid for obviousness despite the somewhat meager findings of fact. We repeat the suggestion recently stated in *Satco, Inc. v. Transequip, Inc.*, 594 F.2d 1318, 1322 (9th Cir. 1979):

> The *Graham* analysis represents a practical approach for courts in developing a factual background for determining patentability. . . . [T]he Supreme Court has insisted upon strict observance of that approach in order to achieve "that uniformity and definiteness [in patentability decisions] which Congress called for [in enacting section 103]." *Graham v. John Deere & Co.* [sic] . . . We further suggest that trial courts may make our task on review easier and more precise by fully articulating findings under the Graham analysis in all cases presenting the obviousness issue.

Despite the absence of more detailed findings, we think that appropriate consideration was given to the relevant facts as defined by *Graham*. We believe, as did the Tenth Circuit in *Sidewinder Marine, Inc. v. Starbuck Kustom Boats and Products, Inc.*, 597 F.2d 201, 209 (10th Cir. 1979), "that the trial judge's

was obvious and therefore unpatentable. 35 U.S.C. § 103. *SSP Agricultural Equipment, Inc. v. Orchard-Rite Ltd.*, 592 F.2d 1096 (9th Cir. 1979).

The legal standards for non-infringement need not be discussed since the district court properly found the patent to be invalid.

findings in . . . this case do afford an adequate basis for us to see that the *Graham* inquiries were considered and substantially answered." The *Sidewinder* court explained:

> We do not feel that explicit findings in the exact terms of the *Graham* criteria are required, "[s]o long as it is clear that the court has grappled with the problems presented," and its findings are "sufficient to provide [us] with a clear understanding of the . . . court's reasons so as to present an adequate review." *Price v. Lake Sales Supply R. M., Inc.,* 510 F.2d 388, 391 (10th Cir.).

Although the district court judge refused to admit much of the plaintiff's evidence on the prior state of the art of *manufacture,* he admitted what little evidence was offered on the prior state of the art of the product, plastic bags. From this evidence, he concluded:

> But that you take a tube and you put two pieces on the end to contain water is no invention. And the fact that you do it by lap welds is no invention.

We agree with this conclusion. Thee is no inventive genius in putting water into a container that does not leak.

The findings of fact cannot be deemed clearly erroneous under Fed.R.Civ.P. 52(a) [see *Penn International Industries v. Pennington Corporation,* 583 F.2d 1078, 1082 (9th Cir. 1978)], and there is no occasion to invoke the broader rule of patent cases that the appellate courts are not bound by any previous findings of fact in making the ultimate determination of obviousness.

Affirmed.

APPENDIX

Findings of Fact and Conclusions of Law (Rule 52 FRCP).

In the United States District Court, Central District of California.

Carlos A. Mollura, Plaintiff, vs. Curtis G. Miller, Craig S. Miller, and American National Watermattress Corp., a California corporation, Defendants. Civil Action No. 770532-R.

Filed: Dec. 13, 1977.

The above entitled action came on regularly for trial on November 9, 1977, before the Court, the Honorable Manuel L. Real, presiding. Defendants appeared by PLAIA, DURANTE & WARREN, by ALAN A. PLAIA, their attorney of record, and plaintiff appeared by his counsel, FRED FLAM.

The Court, having heard the testimony and considered the evidence presented during the course of the trial by plaintiff, and upon motion by defendants, and the matter having been argued and submitted, and the Court having rendered its Memorandum of Decision, now makes the following:

FINDINGS OF FACT

1. That plaintiff is a resident of Fullerton, California.

2. That defendant CURTIS S. MILLER is a resident of Santa Ana, California.

3. That defendant CRAIG S. MILLER is a resident of Orange County, California.

4. That defendant AMERICAN NATIONAL WATERMATTRESS CORP. is a corporation, organized under and existing by virtue of the laws of the State of California, and is doing business in the County of Orange.

5. That defendants CURTIS G. MILLER and CRAIG S. MILLER control and direct the activities of AMERICAN NATIONAL WATERMATTRESS CORP.

6. That defendants CURTIS G. MILLER and CRAIG S. MILLER formulate and implement the corporate policy of defendant AMERICAN NATIONAL WATERMATTRESS CORP., but not so as to include any act or acts of patent infringement respecting U. S. Letters Patent No. 3,825,172, owned by plaintiff.

7. That AMERICAN NATIONAL WATERMATTRESS CORP. is not the alter ego of defendants CURTIS S. MILLER and CRAIG G. MILLER.

8. That AMERICAN NATIONAL WATERMATTRESS CORP. is not the sole competition of Mollura Industries or plaintiff MOLLURA.

9. That AMERICAN NATIONAL WATERMATTRESS and the MILLERS are not the largest competition of plaintiff.

10. That there are not products of the defendants to wit: the American-Centennial and the Centennial Water Support, which are designed and/or constructed in the same manner as the plaintiff's product.

11. That there is not peculiar or special usage of the word the "Tube" in the waterbed industry nor in patent law.

12. That the word "tube" has only its common usage and meaning.

13. That none of the components or pieces of the alleged infringing products forms a tube nor do they perform the same or equivalent functions as the components of plaintiff's product.

14. That design and structure of plaintiff's product is, and would have been, at all times, obvious to one skilled in the art and has no novelty now or at the time of its alleged invention.

15. That plaintiff MOLLURA is not entitled to the remedies provided by Chapter 29 of the Patent Act, 35 U.S.C. 281 and following.

16. That defendants CURTIS G. MILLER, CRAIG S. MILLER and AMERICAN NATIONAL WATERMATTRESS CORP., or any of them, have not infringed said U.S.A. Patent No. 3,825,172.

17. That defendants CURTIS G. MILLER, CRAIG S. MILLER and AMERICAN NATIONAL WATERMATTRESS CORP., or any of them, are not now infringing said U.S.A. Patent No. 3, 825,172.

18. That defendants CURTIS G. MILLER, CRAIG S. MILLER and AMERICAN NATIONAL WATERMATTRESS CORP., or any of them, did not know or have reason to know of said U.S.A. Patent No. 3,825,172 at any time prior to the filing of plaintiff's complaint in this action.

19. That defendant AMERICAN NATIONAL WATERMATTRESS CORP. has not sold infringing water bags to prior accounts of Mollura Industries.

20. That defendant AMERICAN NATIONAL infringing water bags to prior accounts of Mollura WATERMATTRESS CORP. has not offered to sell Industries.

21. That sales by defendant AMERICAN NATIONAL WATERMATTRESS CORP. do not now, or have they ever, undermined the value of any license agreement with Mollura Industries.

22. That sales by defendant AMERICAN NATIONAL WATERMATTRESS CORP. have not deprived Mollura Industries of profitable sales.

23. That offers to sell by defendant AMERICAN NATIONAL WATERMATTRESS CORP. have not deprived Mollura Industries of profitable sales.

24. That the method of manufacture used by defendant AMERICAN NATIONAL WATERMATTRESS CORP. in different from that method of manufacture used by Mollura Industries.

25. That the method of manufacture used by defendant AMERICAN NATIONAL WATERMATTRESS CORP. does not infringe on any patent held by plaintiff MOLLURA.

26. That the finished, manufactured product of defendant AMERICAN NATIONAL WATERMATTRESS CORP. is different from that finished manufactured product of Mollura Industries.

27. That the finished, manufactured product of defendant AMERICAN NATIONAL WATERMATTRESS CORP. does not infringe on any patent held by plaintiff MOLLURA.

CONCLUSIONS OF LAW

1. That the United States Letters Patent No. 3,825,172 entitled TUBULAR FLEXIBLE BAG WITH LAP WELDED ENDS is invalid as it would be obvious to one skilled in the art. *Sinclair & Carroll Co. v. Interchemical Corp.*, 325 U.S. 327 (1945);

American Tube & Controls, Inc. v. General Fittings Co., 407 F. 2d 1291 (CA1), aff'd 287 F. Supp. 673; *Sterling Products Co. v. Crest Mfg. Co.*, 314 F. Supp. 204 (DC. Mich., 1970); *Rawlings v. National Molasses Co.*, 328 F. Supp. 913 (DC. Cal., 1971); *Elmwood Liquid Products, Inc. v. Singleton Packing Corp.*, 328 F. Supp. 974 (DC. Fla., 1971); *Roller Blaring Co. v. Bearing's, Inc.*, 328 F. Supp. 923 (DC. Pa., 1971); *Griffith Rubber Mills v. Hoffar*, 313 F.2d 1 (CA 9); 35 U.S.C.S. §103.

2. That plaintiff MOLLURA is not entitled to the remedies provided by Chapter 29 of the Patent Act, 35 USC §281 and following.

3. That defendants CURTIS G. MILLER, CRAIG S. MILLER and AMERICAN NATIONAL WATERMATTRESS CORP., or any of them, have not infringed U.S.A. Patent No. 3,825,172.

4. That defendants CURTIS G. MILLER, CRAIG S. MILLER and AMERICAN NATIONAL WATERMATTRESS CORP., or any of them, did not know of the existence of U.S.A. Patent No. 3,825,172, at any time pertinent to plaintiff's complaint.

5. That defendants CURTIS G. MILLER, CRAIG S. MILLER and AMERICAN NATIONAL WATERMATTRESS CORP., or any of them, did not infringe said U.S.A. Patent No. 3,825,172, with knowledge of said patent.

Dated: December 13, 1977.

/s/ Manuel L. Real
Manuel L. Real
United States District Judge

Supreme Court, U. S.
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BRIEF OF RESPONDENTS IN OPPOSITION— WITH OBJECTION TO JURISDICTION

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CURTIS G. MILLER, CRAIG S. MILLER, and AMERICAN NATIONAL WATERMATTRESS CORP., a California corporation,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF OF RESPONDENTS IN OPPOSITION— WITH OBJECTION TO JURISDICTION

Opinion Below

The opinion of the Court of Appeals for the Ninth Circuit is reported at 609 F.2d 381, and is reproduced as the first appendix in the Petition.

Jurisdiction

As stated in the Petition (pp. 1, 2), the judgment in issue was entered on December 6, 1979. The Petition was required to be filed with the Supreme Court within 90 days after such entry. 28 U.S.C. §2101(c); Sup. Ct. R. 22(3).

Defendants* are advised by the Office of the Clerk of the Supreme Court that the Petition was filed in the Clerk's Office on March 6, 1980, which is 91 days after the entry of judgment, as computed in accordance with Sup. Ct. R. 34(1).

Accordingly, the Petition was untimely filed, and the Petition must be denied for want of jurisdiction. *Department of Banking v. Pink*, 317 U.S. 264, 268 (1942).

* * *

Defendants respectfully submit that the foregoing jurisdictional objection disposes of the Petition. Should the Court determine otherwise, defendants respectfully request that the Court deny certiorari for the other following reasons.

Question Presented

Did the Court of Appeals erroneously apply the *Graham* standards, as those standards have consistently and uniformly been applied by the Courts, in upholding the invalidity of plaintiff's patent for obviousness?

The Court of Appeals did not err.

Statutes Involved

The applicable statutes, 35 U.S.C. §103 (66 Stat. 798), and 35 U.S.C. §282 (66 Stat. 812, as amended, 79 Stat. 261 and 89 Stat. 692), are set forth in the Petition at page 4.

Statement of the Case

Plaintiff sued in the District Court claiming infringement of his patent for a certain water bag adapted to be used as

*For ease of reference, the parties are referred to in this brief according to their designations in the District Court, *i.e.*, Petitioner is "plaintiff", and Respondents are "defendants".

a waterbed mattress. Among other things, plaintiff expressly requested judgment as to the patent's validity. (R. 4).*

The subject of plaintiff's patent was the *structure* of the bag. At trial, the evidence showed that plaintiff's invention, if any, was his *method* of making the bag, *not* the structure.** In short, plaintiff's patent did not cover his purported invention, *i.e.*, the method of manufacture; rather, it covered something plaintiff did not invent, *i.e.*, the structure of the bag.

The District Court understood this, and under the *Graham* standards, correctly concluded that the patent was invalid for obviousness. (Tr. 136-37). The Court of Appeals also understood this in affirming the District Court, stating (609 F. 2d at 383; Pet., 1st App., at 4):

> "Although the district court judge refused to admit much of the plaintiff's evidence on the prior state of the art of *manufacture*, he admitted what little evidence was offered on the prior state of the art of the *product*, plastic bags. From this evidence, he concluded:
>
> 'But that you take a tube and you put two pieces on the end to contain water is no invention. And the fact that you do it by lap welds is no invention.'
>
> We agree with this conclusion. There is no inventive genius in putting water into a container that does not leak." (Emphasis in original.)

*References "(R. ....)" are to the Record on Appeal in the Court of Appeals.

**Plaintiff conceded at trial that he had no process patent infringement claim. (Tr. 9). References "(Tr. ....)" are to the Reporter's Transcript of the trial in the District Court, held November 8, 1977.

ARGUMENT

I.

There Are No Special and Important Reasons Warranting the Grant of Certiorari

Petitioner has not shown any special and important reasons warranting the grant of certiorari, and there are no such reasons. Sup. Ct. R. 19.

When stripped of plaintiff's exaggerations, this case is a simple one, as the Court of Appeals stated. 609 F.2d at 383 (Pet., 1st App., at 3).

This case is but one of many in which the federal courts have consistently and uniformly applied the standards of 35 U.S.C. §103, as interpreted by the Supreme court in *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966 and subsequently ruled upon by this Court in *Anderson's-Black Rock v. Pavement Co.*, 396 U.S. 57, 61-62 (1969) and *Sakraida v. Ag Pro, Inc.*, 425 U.S 273, 279-81 (1976). In accordance with the *Graham* mandate, the Courts of Appeals are scrutinizing the record in patent cases to assure that the District Courts are making the *Graham* inquiries and applying *Graham* standards. See *e.g.*, *Sidewinder Marine v. Starbuck Kustom Boats*, 597 F.2d 201, 209 (10th Cir. 1979); *Cathodic Protection Service v. American Smelting & Refining Co.*, 594 F.2d 499, 507 (5th Cir. 1979); *Nickola v. Peterson*, 580 F.2d 898, 912 (6th Cir. 1978) cert. den. 440 U.S. 961 (1979); *Trio Process Corporation v. L. Goldstein's Sons, Inc.*, 461 F.2d 66, 71 (3rd Cir. 1972); *Frantz Manufacturing Co. v. Phenix Manufacturing Co.*, 457 F.2d 314, 322-23 (7th Cir. 1972).

At bar, the Court of Appeals did likewise. 609 F.2d at 383 (Pet., 1st App., at 3-4).

The foregoing indicates that there is universal compliance with this Court's mandate for "strict observance" of the

Graham requirements, *Graham, supra* (383 U.S. at 18); *Anderson's-Black Rock, supra* (396 U.S. at 62), and adding the further requirement of explicit findings would not serve any useful purpose. Plaintiff's contention that some sort of ritualistic or formalistic *Graham* findings are required in these cases is simply wrong.

No court has ever held that explicit findings in precise *Graham* language is a requirement in determining patent validity. Indeed, in cases where that specific issue has arisen, plaintiff's contention has been rejected, and the Courts have uniformly ruled that no such explicit findings are necessary as long as *Graham* inquiries are made. *e.g.*, *Sidewinder Marine v. Starbuck Kustom Boats, supra* (597 F.2d at 209); *Trio Process Corporation v. L. Goldstein's Sons, Inc., supra* (461 F.2d at 71); *Frantz Manufacturing Co. v. Phenix Manufacturing Co. supra* (457 F.2d at 322-23).

One case, *Price v. Lake Sales Supply R.M.*, 510 F.2d 388, 391 (10th Cir. 1974) erroneously states that *Frantz, supra* (457 F.2d 314) did not discuss *Graham*—this is clearly wrong. (See 457 F.2d at 322-23).

Price also erroneously implies (see 510 F.2d at 391) that two Fifth Circuit cases, *Van Gorp Manufacturing v. Townley Industrial Plastics*, 464 F.2d 16, 19 (5th Cir. 1972) and *Waldon, Inc. v. Alexander Manufacturing Co.*, 423 F.2d 91, 92 (5th Cir. 1970) require explicit *Graham* findings—this too is clearly wrong. *Van Gorp* and *Waldon* merely condemn a broad, conclusory analysis without supporting *Graham* inquires; those cases do *not* require explicit findings where appropriate *Graham* inquiries are made and properly utilized. The District Courts there had given conclusive weight to the statutory presumption of validity without considering the *Graham* factors (*Waldon*, 423 F.2d at 93) or

made incorrect conclusions based on *Graham* inquiries (*Van Gorp*, 464 F.2d at 20, 21). Significantly, in a subsequent Fifth Circuit case, *Cathodic Protection Service v. American Smelting & Refining Co., supra* (594 F.2d 499), the Fifth Circuit specifically found certain of the District Court's comments to be equivalent to a *Graham* finding without any explicit verbalization of same (594 F.2d at 507).

As this Court noted in *Graham*, at 383 U.S. 17 (albeit perhaps in a different context):

> ". . . the §103 additional condition, when followed *realistically*, will permit a more *practical* test of patentability. *The emphasis on nonobviousness is one of inquiry*, not quality. . . ." (Emphasis supplied.)

II.

The Decisions Below Are Correct

Plaintiff's purported criticism of the decisions below is without merit.

At bar, the record is replete with evidence of sufficient *Graham* inquiries, *e.g.*, Tr. 33-34; 115-16; 118-19; 127-28; Plaintiff's Exs. 23 and 24; Defendants' Ex. D.

Moreover, the primary reason there are not more *Graham* inquiries is that plaintiff's own witness, under examination by the District Court, conceded that plaintiff's bag was similar to a structure in a prior patent, and that the only difference was plaintiff's method of manufacture. (Tr. 126-27). This crucial concession in and of itself virtually decimated plaintiff's patent; it was not necessary for defendants to present their case-in-chief.

In short, as the Court of Appeals found, the District Court's consideration of the *Graham* factors and its ultimate conclusion based thereon are amply supported by the record.

Plaintiff's contention that the presumption of patent validity was somehow abused here is likewise without merit. It is well-settled, and plaintiff apparently concedes (Pet. at 9), that the presumption is not conclusive. Further, where relevant prior art is not submitted to the Patent Office, the presumption is weakened and possibly even destroyed. *E.g.*, *Aluminum Co. of America v. Amerola Products Corporation*, 552 F.2d 1020, 1024 (3rd Cir. 1977); *Hewlett-Packard Co. v. Tel-Design, Inc.*, 460 F.2d 625, 628 (9th Cir. 1972); *Waldon, Inc. v. Alexander Manufacturing Co., supra* (423 F.2d at 93).

At bar, defendants showed in the District Court that a relevant patent (Defendants' Ex. D) had not been submitted to the Patent Office. (Compare R. 6 and Tr. 118-19). Any presumption of validity was therefore properly discounted.

Conclusion.

Plaintiff's Petition for a Writ of Certiorari was not timely filed and should be denied for want of jurisdiction.

If the Court should determine that jurisdiction is present, then the Petition should be denied for the other reasons stated hereinabove.

Dated: April 4, 1980

Respectfully submitted,

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